

SENATE BILL No. 482

DIGEST OF INTRODUCED BILL

Citations Affected: IC 24-5-21.

Synopsis: Prescription drug discount card. Provides that a person may not sell, market, promote, advertise, or distribute a card, a device, or another purchasing mechanism that is not insurance that purports to offer discounts or access to discounts from a pharmacy for purchases of prescription drugs or devices if certain conditions exist. Provides penalties for violations.

Effective: July 1, 2001.

Johnson

January 22, 2001, read first time and referred to Committee on Corrections, Criminal and Civil Procedures.

C
o
p
y



Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 482

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulations; consumer sales and credit.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-5-21 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]:

4 **Chapter 21. Prescription Drug Discount Cards**

5 **Sec. 1. This chapter does not apply to the following:**

6 (1) Eye or vision care services, glasses, or contact lenses
7 provided by an optometrist or ophthalmologist.

8 (2) A card, a device, or another purchasing mechanism that is
9 not insurance but that is administered in conjunction with a
10 health or medical benefit by an insurance company, a
11 nonprofit health service plan corporation, or a health
12 maintenance organization.

13 (3) A benefit administered by or under contract with the state
14 of Indiana.

15 (4) A customer discount or membership card issued by a store
16 or buying club for use at that store or buying club.

17 **Sec. 2. As used in this chapter, "person" has the meaning set**



C
o
p
y

1 forth in IC 24-5-0.5-2.

2 **Sec. 3.** A person may not sell, market, promote, advertise, or
 3 distribute a card, a device, or another purchasing mechanism that
 4 purports to offer discounts or access to discounts from a pharmacy
 5 for purchases of prescription drugs or devices in the following
 6 situations:

7 (1) The card, device, or other purchasing mechanism does not
 8 expressly state in bold and prominent type that the discounts
 9 are not insurance. This statement must be prominently
 10 placed.

11 (2) The discounts are not specifically authorized by an
 12 individual and separate contract with each pharmacy listed
 13 with the card, device, or other purchasing mechanism.

14 (3) The discounts or access to discounts offered, or the range
 15 of discounts or access to the range of discounts offered, are
 16 deceptive or misleading.

17 **Sec. 4.** A person, who is not exempt under section 1 of this
 18 chapter, who sells, markets, promotes, advertises, or distributes a
 19 card, a device, or another purchasing mechanism that purports to
 20 offer discounts or access to discounts from a pharmacy for
 21 purchases of prescription drugs or devices shall designate a
 22 resident in Indiana as an agent for service of process and register
 23 the agent with the secretary of state.

24 **Sec. 5.** A contract entered into to purchase a card, a device, or
 25 another purchasing mechanism that purports to offer discounts or
 26 access to discounts from a pharmacy for purchases of prescription
 27 drugs or devices that does not comply with this chapter is voidable
 28 by the purchaser.

29 **Sec. 6. (a)** The attorney general, a prosecuting attorney, or an
 30 individual may maintain an action to enjoin any act that is in
 31 violation of this chapter and for the recovery of damages.

32 **(b)** An action brought under this section may be brought in the
 33 county where:

34 (1) the plaintiff resides or conducts business;

35 (2) the defendant resides or conducts business; or

36 (3) the card, device, or other purchasing mechanism that
 37 purports to offer discounts or access to discounts from a
 38 pharmacy for purchases of prescription drugs or devices was
 39 sold, marketed, promoted, advertised, or distributed.

40 **(c)** If the court finds that the defendant violated any provision
 41 of this chapter, the court shall enjoin the defendant from
 42 continuing the acts that are in violation of this chapter.

C
o
p
y



1 (d) A plaintiff who prevails in an action under this chapter may
2 recover the following:

3 (1) A sum equal to one hundred dollars (\$100) per card,
4 device, or other purchasing mechanism that is sold or
5 distributed in Indiana or ten thousand dollars (\$10,000),
6 whichever is greater.

7 (2) Three (3) times the amount of actual damages, if any.

8 (3) Reasonable attorney's fees.

9 (4) Court costs.

10 (5) Any other relief that the court considers proper.

11 Sec. 7. (a) The provisions of this chapter are not exclusive and
12 do not relieve a person from compliance with other applicable
13 provisions of law.

14 (b) The penalties in this chapter are cumulative and in addition
15 to any applicable penalties.

16 (c) A person that violates this chapter is subject to the penalties
17 set forth in IC 24-5-0.5.

18 (d) All actions brought under this chapter must be brought
19 within two (2) years after the date on which the violation of this
20 chapter occurred.

C
o
p
y

